	Date	Press Release Title	Journalists from US Publications
1	4 January 2019	BSP Statement on the Medium-Term View on Inflation	Aries Poon @ S&P Global Market Intelligence Enda Curran @ Bloomberg Reshman Kapadia @ Barrons Alvin Camba @ Johns Hopkins University
2	4 January 2019	Joint Statement on Full-Year 2018 Inflation from the Economic Team (NEDA-DOF-DBM)	Aries Poon @ S&P Global Market Intelligence Enda Curran @ Bloomberg Reshman Kapadia @ Barrons Alvin Camba @ Johns Hopkins University
3	16 January 2019	BSP Statement on Hanjin	Saumya Vaishampayan @ The Wall Street Journal Ranina Sanglap @ S&P Global Market Intelligence Aries Poon @ S&P Global Market Intelligence
4	16 January 2019	Rising FDIs may address employment vacuum arising from Hanjin PH Closure—IRO	Saumya Vaishampayan @ The Wall Street Journal Ranina Sanglap @ S&P Global Market Intelligence Aries Poon @ S&P Global Market Intelligence
5	4 March 2019	Philippine Banking Sector Bags Higher Credit Rating	Saumya Vaishampayan @ The Wall Street Journal Aries Poon @ S&P Global Market Intelligence Ranina Sanglap @ S&P Global Market Intelligence Alvin Camba @ Johns Hopkins University Reshman Kapadia @ Barrons
6	17 April 2019	Philippine economic, infrastructural reforms highlighted at sidelines of IMF-WB meetings in Washington DC	Jim Gomez @ Associated Press Joeal Calupitan @ Associated Press Reshman Kapadia @ Barrons Jake Maxwell Watts @ The Wall Street Journal Serena Ng @ The Wall Street Journal Saumya Vaishamapayan @ The Wall Street Journal John Lyons @ The Wall Street Journal

			James Hookway @ The Wall Street Journal Cris Larano @ The Wall Street Journal Aries Poon @ S&P Global Market Intelligence Andreo Calonzo @ Bloomberg Cecilia Yap @ Bloomberg Claire Jiao @ Bloomberg Clarissa Batino @ Bloomberg Ditas B Lopez @ Bloomberg Enda Curran @ Bloomberg Ian Sayson @ Bloomberg Karl Lester Yap @ Bloomberg Lilian Karunungan @ Bloomberg Matthew Burgess @ Bloomberg Ruth Carson @ Bloomberg Siegfrid Alegado @ Bloomberg Andy Mukherjee @ Bloomberg Shuli Ren @ Bloomberg Bernard Lo @ CNBC Everett Rosenfield @ CNBC Kelly Olsen @ CNBC Weizhen Tan @ CNBC Josh Berlinger @ CNN
7	26 April 2019	PH a step away from single-A credit rating as it bags positive outlook from Japanese debt watcher	Alvin Camba @ Johns Hopkins University Kelly Oolsen @ CNBC Joshua Berlinger @ CNN Ranina Sanglap @ S&P Global Market Intelligence Aries Poon @ S&P Global Market Intelligence
8	1 May 2019	S&P upgrades Philippine credit rating to "BBB+ stable," a notch away from 'A' territory rating	Ranina Sanglap @ S&P Global Market Intelligence Aries Poon @ S&P Global Market Intelligence Saumya Vaishampayan @ The Wall Street Journal Editor @ CNBC Asia Kelly Oolsen @ CNBC Joshua Berlinger @ CNN Alvin Camba @ Johns Hopkins University Daniel Moss @ Bloomberg Editors @ Barrons Editors @ Bloomberg Philnews @Bloomberg

			Enda Curran @ Bloomberg Andreo Calonzo @ Bloomberg Cecilia Yap @ Bloomberg Claire Jiao @ Bloomberg Clarissa Batino @ Bloomberg Ditas B Lopez @ Bloomberg Enda Curran @ Bloomberg Ian Sayson @ Bloomberg Karl Lester Yap @ Bloomberg Lilian Karunungan @ Bloomberg Matthew Burgess @ Bloomberg Ruth Carson @ Bloomberg Siegfrid Alegado @ Bloomberg
9	1 May 2019	Philippines greets European investors with news of S&P upgrade	Sent in the same email as the above
10	14 May 2019	The Republic of the Philippines Successfully Returns to the European Capital Markets with a New 8-Year Euro-Denominated Global Bonds	Editor @ CNBC Asia Kelly Oolsen @ CNBC Joshua Berlinger @ CNN Alvin Camba @ Johns Hopkins University Daniel Moss @ Bloomberg Editors @ Barrons Editors @ Bloomberg Philnews @Bloomberg Andreo Calonzo @ Bloomberg Cecilia Yap @ Bloomberg Claire Jiao @ Bloomberg Clarissa Batino @ Bloomberg Ditas B Lopez @ Bloomberg Enda Curran @ Bloomberg Ian Sayson @ Bloomberg Karl Lester Yap @ Bloomberg Lilian Karunungan @ Bloomberg Matthew Burgess @ Bloomberg Ruth Carson @ Bloomberg Siegfrid Alegado @ Bloomberg
11	16 May 2019	Warm Reception for the Philippines' Second Panda Bonds Issuance	Editor @ CNBC Asia Kelly Oolsen @ CNBC Joshua Berlinger @ CNN Alvin Camba @ Johns Hopkins University Daniel Moss @ Bloomberg Editors @ Barrons Editors @ Bloomberg Philnews @Bloomberg Enda Curran @ Bloomberg Andreo Calonzo @ Bloomberg Cecilia Yap @ Bloomberg

			Claire Jiao @ Bloomberg Clarissa Batino @ Bloomberg Ditas B Lopez @ Bloomberg Ian Sayson @ Bloomberg Karl Lester Yap @ Bloomberg Lilian Karunungan @ Bloomberg Matthew Burgess @ Bloomberg Ruth Carson @ Bloomberg Siegfrid Alegado @ Bloomberg

BSP Statement on the Medium-Term View on Inflation

"The latest inflation outturn confirms further the BSP's earlier assessment that the inflation target for 2019 - 2020 shall be achieved. The within-target inflation outlook over the policy horizon largely reflects the estimated impact of the rice tariffication law, lower global oil prices, and latest monetary policy adjustments by the BSP. Nonetheless, the BSP continues to keep a close watch over price developments in the country and shall consider all relevant information at its next monetary policy meeting on 7 February 2019 to ensure that the monetary policy stance remains consistent with the BSP's primary mandate of price stability."

JOINT STATEMENT ON FULL-YEAR 2018 INFLATION FROM THE ECONOMIC TEAM (NEDA-DOF-DBM)
January 4, 2018

We, the economic managers, welcome the news that the country's inflation rate came to a seven-month low at 5.1 percent in December 2018 sharply down from November's 6.0 percent. This signifies that the mitigating measures already in force are broadly effective.

Slower price increases in food and non-alcoholic beverages and transportation continued to soften inflation in December.

With this, full-year 2018 inflation averaged at 5.2 percent, which is higher than last year's 2.9 percent inflation but within the adjusted inflation forecast of the Development Budget Coordination Committee.

The rate of price increases has remained manageable, giving the country adequate elbow room to sustain its economic growth and reach its development goals. Still, we understand that the faster inflation particularly in the middle of 2018 had affected many Filipinos, most especially those in the disadvantaged sectors. For this very reason, the economic team took swift and decisive measures to tame inflation as directed by the President.

Inflation in Metro Manila decelerated for the fourth consecutive month to 4.8 percent in December 2018 from 5.6 percent in November. The rest of the regions felt slower inflation rates in December 2018 compared to the previous month.

Nonetheless, we continue to exert all efforts to bring inflation within the government's target range of 2 to 4 percent, and ensure price stability all year round.

While we can say that the worst seems over given the signs of easing price pressures, we continue to be vigilant of possible risks.

For this year, with the expected signing into law of the Rice Tariffication Bill, rice prices are expected to decline by as much as PhP7.00 per kilo. We recognize, however, that this favorable effect can only be sustained if there are more players in the rice market, starting from production and financing to post harvest and trading.

Ensuring sufficient supply of rice and other major agricultural products from local sources likewise remains crucial over the near term with the looming El Niño phenomenon in 2019. Short-maturing, high-yielding, and resilient varieties of crops should be utilized, alongside efficient water management systems. Over the medium to long-term, reassessing the vulnerability and suitability of farm areas should also be prioritized to bring forth adaptive farming activities.

The economic team will aggressively push for the full operationalization of the National Single Window. At the same time, the government pledges to step up its anti-smuggling measures, aiming that only duly-taxed imports enter the country. We also need the Philippine Competition Commission to be vigilant in curbing anti-competitive behavior, particularly in the rice market. In the fisheries sector, the government is strengthening its crackdown against illegal fishing. Ten out of the 13 fishing grounds in the Philippines were reportedly over fished. This effort must be accompanied by sustainable coastal resource management to help increase fish production.

We also advise the Department of Agriculture to hasten the issuance of the Fisheries Administrative Order No. 259 to compensate for the limited supply as some parts in the Visayas are under closed fishing season.

For the past two months, the Philippines continues to benefit from the falling prices of international crude oil resulting in a series of oil price rollbacks. The Department of Energy, on its end, is closely monitoring domestic pump prices to ensure that the new excise tax on oil is not yet reflected in the prices at the start of the year, as old fuel inventories are not subjected to the tax increase.

We also ask concerned government agencies to fast-track the implementation of the mitigating measures scheduled this year under the Tax Reform for Acceleration and Inclusion Law, particularly the unconditional cash transfer and fuel vouchers.

These could fend off possible second-round effects, which may arise from further demand for wage and fare increases.

As we welcome 2019, we assure the general public that our dedication and commitment to our collective long-term vision of a good life for all remain undiminished.

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BSP STATEMENT ON HANJIN
16 January 2019

The Philippine banking system remains strong and stable. Over the past 20 years, the Bangko Sentral ng Pilipinas (BSP) has been implementing strategic reforms that have resulted in higher capitalization and stronger risk management systems to manage potential threats.

Total assets of the banking system continue to grow, expanding by 11.0 percent in 2018, the bulk of which have been largely channeled to production loans. The increase in the loan portfolio is supported by sound credit risk management (CRM) consistent with the BSP's comprehensive guidelines on CRM issued in October 2014. These guidelines set a higher standard in managing risk arising from the banks' lending operations. The CRM guidelines also require banks to set aside allowance for expected credit losses, prompting them to be cognizant of potential losses in their loan portfolio even at an early stage. This has resulted in strong asset quality as indicated by the decline in banks' non-performing loans (NPLs) ratio to 1.83 percent while loan loss provisioning exceeding 100 percent as of end-October 2018.

Latest data also show that the local banking industry is well-capitalized, with a Capital Adequacy Ratio (CAR) of 15.36 percent as of September 2018, well above the international standard of 8.0 percent and the BSP's regulatory requirement of 10.0 percent.

With more than adequate capital base, the banking system continues to post strong core earnings. As of end-September 2018, the banking system's net profit grew by 5.8 percent compared to the previous year's level. Moreover, the industry remains liquid. As of end-September 2018, the liquidity coverage ratio of universal and commercial banks stood at 157.6 percent on solo basis. This is well above the current regulatory threshold of 100.0 percent.

With its robust capitalization and sufficient liquidity buffer, the Philippine banking system is therefore well-positioned to manage about USD 400 million in loan exposure to Hanjin Heavy Industries and Construction Philippines. The loan exposure represents only 0.24 percent of total loans of the banking system and 2.49 percent of the foreign currency loans of Foreign Currency Deposit Units. Moreover, based on the results of the BSP's stress-testing exercise, an assumed write-off of the loan exposures to Hanjin will have minimal impact on the industry's CAR.

More important, as part of the supervisory process, the BSP requires banks to stress test their own loan portfolios. In this respect, banks should have the capability to promptly address threats and stress scenarios.

Based on the latest data, the BSP is confident about the local banks' ability to manage this specific challenge. They are also equipped to handle the negotiations required to complete Hanjin's corporate restructuring while remaining compliant with prudential regulations.

As the banking regulator, the BSP shall continue to remain vigilant in monitoring the actions taken by the banks and ensure the orderly resolution of the Hanjin case.

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INVESTOR RELATIONS OFFICE
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Press Release
4 March 2019

Philippine Banking Sector Bags Higher Credit Rating

New Central Bank Act seen bolstering BSP's capacity to instill stability in financial system

Debt watcher S&P Global upgraded the Philippine banking sector's credit rating by a notch, citing the expected significant improvement in the country's regulatory environment following the signing into law of the New Central Bank Act.

In a report released 27 February 2019, S&P said it raised the Philippines' Banking Industry Country Risk Assessment (BICRA) score from "6" to "5," owing to the favorable provisions of the newly signed law.

BICRA scores range from 1 to 10, with 10 reflecting assessment of highest risk.

The announcement came less than two weeks after President Rodrigo Duterte signed on 14 February 2019 Republic Act No. 11211 (RA No. 11211), the New Central Bank Act, which is a landmark policy reform that took years of deliberation in Congress.

"We view these amendments as a positive step toward greater independence [of] and more effective implementation of prudent policies and measures [by the Bangko Sentral ng Pilipinas]," S&P said.

RA No. 11211 affirms and strengthens existing frameworks and practices of the BSP in carrying out its supervision mandate. It supports the application of risk-based principles in allocating examination resources and in setting out capital requirements in banks. The BSP has long shifted to the risk-based approach to supervision and has crafted policies that are not only commensurate to the risk exposures of its supervised financial institutions but are also suited to domestic conditions. The new law now provides a legal anchor to said approach.

The other highlights of the law include the legal protection given to BSP officials in the exercise of the central bank's regulatory role, as well as the prohibition for lower courts to issue restraining orders to the BSP.

These provisions address the long-standing problem of vulnerability of the BSP and its officials to law suits filed by either erring or weak banks that are penalized or ordered closed by the BSP. Notwithstanding said limitation in the past, the BSP has established an enforcement framework that promotes consistent handling of supervisory issues including closure of banks.

S&P said that with the new law, the BSP can better fulfill its mandate of promoting a sound financial system.

Another highlight of the new law is the expansion of the BSP's regulatory coverage to include monetary service businesses, credit granting businesses, and payment system. These are consistent with ongoing initiatives of the BSP along with other government agencies to promptly address emerging threats posed by entities outside the banking system.

"We believe the expansion of coverage of institutions under BSP supervision... bolsters BSP's position to address potential risks arising from the interconnectedness of entities in the financial system," S&P said.

Also, the new law allows the BSP to issue its own debt securities, which, according to S&P, enhances the ability of the BSP to manage liquidity in the economy.

The law likewise increases the capitalization of the BSP from P50 billion to P200 billion.

Commenting on the upgrade of the Philippine banking industry's credit rating by S&P, Deputy Governor Chuchi Fonacier, who heads the BSP's financial supervision sector, said: We are pleased to learn about the quick recognition by S&P of the significant benefits of the New Central Bank Act, which the BSP deems as an important game-changing policy reform."

"The law, which unleashes a new and more progressive era of financial sector supervision in the country, further enhances the ability of the BSP to serve as a pillar of strength for the Philippine economy," Fonacier added.

Meantime, on top of the favorable regulatory development, S&P said the Philippine banking system is expected to withstand various risks—such as currency volatility and higher interest rates, among others—given sufficient capitalization and strong domestic franchise that supports growing deposit base.

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INVESTOR RELATIONS OFFICE
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Philippine economic, infrastructural reforms highlighted at sidelines of IMF-WB meetings in Washington DC

Press Release
17 April 2019

WASHINGTON DC — Top government economic officials led by Finance Secretary Carlos Dominguez III and Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno, promoted the Philippines' profile before a high-level audience at the "Philippine Day Forum," held at the sidelines of the IMF-World Bank meetings.

Around 150 key executives from top US banking, investment, and financial companies were present at the event themed, "Powering Progress through Transformative Reforms."

"Today, the Philippines is one of the fastest growing economies in the world. Reaching this milestone ... is attributable to many years of hard work — especially in building a strong fiscal position and a bureaucracy honed to the task of catalyzing growth," Secretary Dominguez said.

He added, "While we rank as among the best performing economies in this dynamic part of the world, growth is not the final goal of all our efforts. We seek a more dynamic and competitive economy to bring down poverty rates and create more opportunities for our people. The economic team stands by its goal of bringing down poverty incidence from 21.6 percent in 2015 to just 14 percent by the end of President Duterte's term."

At the event, the Philippine economy's resilience to external headwinds and capacity to sustain robust economic growth were also underscored.

"We are prepared to face the three great challenges — growth divergence, policy fragmentation, and technological disruption. For the Central Bank, it is a matter of careful commitment and timely action. The economy itself is fundamentally solid. Overall macro-economic conditions provide sound basis for cautious optimism," BSP Governor Diokno emphasized.

Dr. Victoria Kwakwa, World Bank's Vice President for East Asia and Pacific, echoed the same message on the country's resilience in her opening remarks: "The Philippines has the potential to become the next East Asian success story," and that its vision to "become a prosperous, resilient, middle-class society free of poverty by 2040," is "an achievable goal – but one that will require continued reform and investment to open the economy, overcome infrastructure backlog, invest in human capital, and build the resilience of the nation, especially as the threat of climate change increases."

At the Forum, Assistant Secretary Tony Lambino also showcased the government's comprehensive tax reform program, stating it, "is the first time that we are doing tax reform on our own terms – to reduce poverty and inequality, and not for deficit or debt reduction."

In January 2018, the first package of the Comprehensive Tax Reform Program of the administration of President Rodrigo Duterte (Republic Act. No. 10963) took effect, addressing the long-standing need to update the outdated personal income tax system, among others.

On one hand, the law slashed personal income tax rates to make these competitive with regional peers. On the other, it raised excise taxes on fuel and automobile, and imposed excise tax on sugary drinks, thereby raising additional revenues for the government on a net basis, among other provisions.

The additional revenues help ensure that the government's "Build, Build, Build" program, the country's most ambitious infrastructure development agenda to date, is fiscally sustainable.

"These [infrastructure development] accomplishments are the clearest and most tangible proof that the will and determination of the President and this team knows no bounds. We are determined to deliver what we say, and to deliver them on time and on budget. All of these infrastructure projects have made the Philippines one of the most attractive destinations of the world," said Bases Conversion and Development Authority President & CEO Vivencio Dizon.

The Duterte administration expects more game-changing tax reforms to be implemented, with proposed bills on other packages already in Congress for deliberation. Among these is a bill seeking to slash the corporate income tax rate to boost the country's competitiveness in attracting foreign direct investments, while rationalizing fiscal incentives to ensure that tax perks are properly targeted, performance-based, time-bound, and transparent.

In addition, there are also bills seeking to fix the real property tax system and to put in place a more equitable system of taxing financial instruments.

Another landmark legislation featured during the Forum was the Rice Tariffication law (RA No. 11203). The law abolished the quantitative restriction on rice imports in favor of tariffs helping improve the supply of rice by stabilizing its prices.

BSP Monetary Board Member Bruce Tolentino stressed that there is need "to focus on ensuring that the law is implemented well and that there is no pushback that leads to withdrawal of the advances that have now been achieved under the law."

The Philippine government is also taking purposeful steps towards financial digitalization and financial inclusion. The BSP seeks to make financial products and services more accessible through an enabling and conducive regulatory environment that allows technical innovation to flourish tempered by proper safeguards against risks.

The economic reforms were favored by international observers.

"Of course, tax reform is not the objective in itself. It is a tool to have a good and healthy budget. If we have a good and healthy budget, that means we are not only collecting money but also spending money in a wise way. So... the connection between tax and social spending [in the Philippines], I think, that is very well recognized," remarked Mr. Suahasil Nazara, Chairman of the Fiscal Policy Agency of Indonesia's Ministry of Finance.

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Ms. Lalita Moorty, World Bank Director of the East Asia and the Pacific Macroeconomic, Trade and Investment GP, observed, "This reform effort in the Philippines is done in a very proactive, forward-looking manner."

The Philippines is among the fastest growing economies in the region and the world, registering above 6-percent gross domestic product (GDP) growth over the past 15 consecutive quarters.

The Philippines is expected to reach upper middle income status this year, ahead of the supposed 2022 target.

The reforms are expected to ensure that the Philippines' favorable performance is sustained over the long haul and help the economy hit high-income status by 2040, as stated in the government's long-term vision.

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PH a step away from single-A credit rating
as it bags positive outlook from Japanese debt watcher

The Philippines is now only a step away from securing a single-A credit rating from Japan Credit Rating Agency (JCR), a debt watcher whose opinions matter to Japanese and other regional investors.

On Friday, JCR raised its outlook of the Philippines from BBB+ stable to BBB+ positive, citing the government's twin efforts to accelerate infrastructure development and boost revenues through tax reform.

In its report, JCR said that the massive infrastructure projects being undertaken will help sustain robust economic growth for the country over the medium to long term, while the comprehensive tax reform program will help ensure that the government keeps its fiscal house in order despite its augmented infrastructure spending.

In its press release, JCR said, "... infrastructure development has accelerated under the Duterte administration amid expanding expenditures based on its Public Investment Program and improved budget execution rate brought by budget reforms." It also noted that, "As part of its efforts to secure the necessary financial resources for such expanding expenditures, the government has been vigorously pursuing its comprehensive tax reform program (CTRP)."

Finance Secretary Carlos Dominguez III welcomed the positive outloom from JCR, citing it as "recognition of the Duterte administration's aggressive yet prudent economic policy of spending big on infrastructure modernization while maintaining fiscal discipline."

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno also welcomed the latest comments from JCR, saying that "the Philippines' robust economic growth is sustainable over the long haul, in part because of the BSP's commitment to maintain price stability and the soundness of the banking and financial system." Governor Diokno added that, "The BSP will continue to provide an enabling environment for sustainable, robust, and more inclusive economic growth by staying committed to its price and financial stability mandates."

In its report, JCR also acknowledged that a healthy banking system is lending support to sustainability of the Philippines' economic growth. JCR cited the banking system's low exposure to bad debts, with the NPL ratio settling at 1.8 percent, and sufficient capitalization, with the capital adequacy ratio at 15 percent, last year.

JCR's BBB+ rating with positive outlook is just one notch away from a single-A credit rating.

A single A credit rating will place the Philippines on the radar screen of even more portfolio investors, given that some institutional investors have a policy of investing only in bonds issued by A-rated sovereigns or corporate entities.

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Rising FDIs may address employment vacuum arising from Hanjin PH Closure—IRO

In addition to assurance that the Philippine banking system remains robust and stable, continuing confidence in the growth and development of the Philippine economy despite Hanjin Heavy Industries and Construction Philippines (Hanjin PH) closure may also be drawn from significant foreign direct investments (FDIs) coming into the country.

Unemployment that may result from Hanjin PH's bankruptcy may be mitigated by the number of total approved foreign investments in the Subic Bay Metropolitan Authority (SBMA).

According to the Philippine Statistics Authority, there is a significant growth rate of 83.4% in the number of approved foreign investments in SBMA from P428.8 million covering January-September 2017 to P786.6 million in January-September 2018. Out of these approved investments for Subic, 2,493 jobs are expected to be created supporting employment resiliency in the region.

In the meantime, net inflow of FDIs in the entire country reached USD 8.53 billion in January–October 2018, up by 1.8 percent year on year.

The Investor Relations Office (IRO) reiterates the message that, "While Hanjin PH's closure comes with some challenges, it remains a non-systemic event as substantiated by data from the Bangko Sentral ng Pilipinas. Overall, there is optimism that the Government's commitment to present reforms – particularly its "Build, Build, Build agenda," which will bring about job creation and investment growth, tax reform, and ease of doing business initiatives – keeps the Philippines on track as one of the fastest growing economies in the fastest growing region of the world."

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Philippines greets European investors with news of S&P upgrade
'BBB+' rating affirms roadshow message on PH economy strengths

The upgrade of the Philipppines' credit rating to "BBB+" with a "stable" outlook by S&P Global on Tuesday came at a perfect time, as the Philippines holds a roadshow in Europe in preparation for the issuance of euro-denominated bonds.

The Philippine delegation, led by National Treasurer Rosalia de Leon in tandem with Bangko Sentral ng Pilipinas (BSP) Deputy Governor Diwa Guinigundo, are visiting key European cities to discuss the strengths of the Philippine economy to investors. The upgrade is great news as an independent third party confirms the solid economic narrative.

In an earlier statement, Treasurer De Leon said the upgrade by S&P is "recognition of our sound policies on liability management." She added: "We have kept our debt in check—even as we invest more on infrastructure and social services. We are committed to fiscal discipline, and this makes the Philippines a truly creditworthy sovereign in the eyes of the international financial community."

On his part, Guinigundo said the one-notch upgrade by S&P "simply affirms the [Philippine] economy's sustained strong performance capped by impressive policy and structural reforms that would ensure its positive long-term prospects."

"With such an upgrade, this would bring more interest among foreign investors to participate in the growth process and in the end, further establish and strengthen the upward trajectory of the Philippine economy," Guinigundo added.

On the path toward an "A"-territory rating, Guinigundo said: "The biggest challenge to us is to pursue sustainability: sustainability of policy and institutional reforms, growth and public finance. With splendid record, I am sure we can do it."

The planned issuance of Euro-denominated bonds is part of the Philippine government's strategy to diversify sources of financing to support a robustly growing economy and the Government's dedicated efforts to address the country's large infrastructure gap to increase productive capacity.

The roadshow in Europe, which started on April 26 and which will end on May 3, covers key locations including Zurich, London, Paris, Frankfurt, and Milan.

Based on the rigorous roadshow schedule, the delegation team—which also includes Director Elizabeth Medina-Navarro, Head of the BSP's Investor Relations Office (IRO), and Director Dennis Lapid of the BSP's Department of Economic Research—meets about 20 fund managers from different financial companies daily.

The agenda is to present the Philippine economy's narrative, which helps in the decision making of the investors.

Director Medina-Navarro of the IRO — the Office mandated with the Republic's economic communication — is pleased that the Philippine delegation is bringing added good news to European investors. Medina-Navarro stated, "Since 2013 when the Philippines first bagged investment grade ratings from international debt watchers, the country has secured more rating upgrades. These are credited mainly to sound economic policies and also to effective communication of the economy's strengths to the right audience. Now that we are just a step away from reaching 'A minus', the IRO's efforts to communicate the Philippines' favorable narrative to the international community will continue with even more fervor."

The upgrade by S&P puts the Philippines just a notch away from "A minus," which is within the coveted "A" scale.

A rating within the "A" scale will place the Philippines on the radar screen of even more investors.

In its decision to lift the country's credit rating, S&P cited the Philippines' strong economic growth, healthy external position, and sound finances.

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INVESTOR RELATIONS OFFICE
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S&P upgrades Philippine credit rating to "BBB+ stable," a notch away from 'A' territory rating

In a vote of confidence, international debt watcher S&P Global upgraded the country's credit rating from "BBB" to "BBB+" with a "stable" outlook.

In a report released Tuesday, 30 April 2019, S&P recognized the strengths of the Philippine economy that affirms the country's creditworthiness.

S&P observed, "The Philippines has above-average economic growth, a healthy external position, and sustainable public finance." The stable outlook on the rating, "reflects our view that the Philippine economy will maintain its momentum over the medium term, in combination with contained fiscal deficits and stable public indebtedness."

The upgrade from S&P follows sustained robust economic growth—which has consistently settled above the 6.0-percent mark for the last 15 quarters despite global economic challenges. It comes after the continued exercise of fiscal discipline as the government invests more in much needed infrastructure and human capital development.

The upgrade recognizes implementation of vital policy and infrastructure reforms seen to fuel robust, sustainable, and more inclusive economic growth for the Philippines. Major reforms include laws on tax reform, liberalization of the rice sector, and strengthening of the Bangko Sentral ng Pilipinas' charter, as well as initiatives to increase the ease of doing business and relax the foreign investment negative list.

In response to the favorable rating action by S&P, Finance Secretary Carlos Dominguez III said: "S&P Global's credit rating upgrade for the Philippines by one notch higher to "BBB+" is an undeniable tribute to President Duterte's unwavering commitment to bold reforms and sound economic policies as embodied in the 10-point Socioeconomic Agenda of the administration and his strong political will to get these tough initiatives done at the soonest."

"To his credit, President Duterte has transcended all the political chatter and stayed focused on pursuing policy initiatives, such as tax reform, trade liberalization and infrastructure modernization, that are necessary to sustain the growth momentum, attract investments and ensure financial inclusion for all Filipinos on his watch. We also want to thank the legislature for their support of the President's socioeconomic program," Dominguez added.

National Treasurer Rosalia De Leon welcomed the news, stating that "The upgrade is a recognition of our sound policies on liability management. We have kept our debt in check—even as we invest more on infrastructure and social services. We are committed to fiscal discipline, and this makes the Philippines a truly creditworthy sovereign in the eyes of the international financial community."

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno said S&P's favorable rating action is recognition of sound economic management, prudent monetary policy, and strong financial sector supervision.

"Over the years, the BSP has remained committed to its price and financial stability mandates, providing an enabling environment for the economy to flourish. Armed with a new charter that strengthens its ability to carry out its primary mandate of price stability and supervise the banking sector, the BSP will continue to lend support to the economic development goals of the country," Diokno said.

The new rating is just a notch away from "A minus" rating, which is within the sterling "A" credit-rating territory.

###

Warm Reception for the Philippines' Second Panda Bonds Issuance

The Republic of the Philippines has successfully issued its Renminbi-denominated Bonds (Panda Bonds) of RMB2.5 billion with a tenor of three years on 15 May 2019. This is the second Panda Bonds issuance for the Philippines who issued its first Panda Bonds in March of 2018.

The bonds were priced at 3.58%, which allowed the Republic to achieve a tight spread of 32bps above the benchmark. The order book reached a total of more than RMB11 billion, reinforcing a strong vote of confidence in the Republic's economic stewardship and transformative reform agenda.

In terms of geographical breakdown of investors, leveraging on the Bond Connect scheme, 42.4% of final allocation was placed to China's onshore investors, and 57.6% went to overseas investors. Major investors include commercial banks from China's onshore and offshore markets.

China Lianhe Credit Rating Co. Ltd. rated both the Philippines and this issuance as AAA, its highest rating. Aside from the local AAA rating, the Philippines has an international rating of Baa2/BBB+/BBB (Moody's/S&P/Fitch).

Reacting to the favorable results of the Panda Bonds issuance, Finance Secretary Carlos Dominguez III said, "The success of the second 'Panda' bond float, which has come on the heels of the similarly well-received float of Euro-denominated offshore securities, illustrates the high level of confidence of the international markets in the Philippines amid the game-changing reforms initiated by President Duterte to sustain its upward growth trajectory and attract more investments."

"Such confidence by the global investor community stems from our solid creditworthiness brought about by the government's unwavering commitment to sound macroeconomic policies and fiscal discipline in the face of domestic and external challenges," Dominguez added.

Expounding on the gains from the positive market perception, National Treasurer Rosalia de Leon said: "The success of our Panda bonds issuance, along with other recent issuances, resonates the positive market sentiment on Philippine credit. Through strategic and timely offerings, we are able to tap various markets even in a challenging environment that allowed for the Republic that resulted in more cost-efficient pricing."

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The Republic of the Philippines Successfully Returns to the European Capital Markets with a New 8-Year Euro-Denominated Global Bonds

The Republic of the Philippines (the "Republic") successfully returned to the international capital markets with its offering of EUR750 million of 8-year Global Bonds. The bonds are expected to be rated Baa2 by Moody's, BBB+ by Standard & Poor's, and BBB by Fitch1*. The notes are expected to settle on May 17, 2019.

This issuance marks the Republic's return to the European capital markets after more than a decade. The overwhelming reception from the market allowed the pricing for the newly issued Global Bonds to tighten at EUR Midswaps +70 bps after being revised twice from an initial pricing guidance of EUR Midswaps+90-100 bps area.

By geographical allocation, 24 percent of the bonds were allocated to Germany, 15 percent to Italy, 10 percent to the U.K., 26 percent to the rest of Europe, 9 percent to the U.S., 6 percent to the Philippines, 5 percent to the rest of Asia, and the remaining 5 percent to other countries. In terms of investor type, 59 percent went to fund managers, 24 percent went to banks and corporates, 11 percent went to insurance, pension funds, and official institutions, and the remaining 6 percent went to other types of investors.

Finance Secretary Carlos Dominguez III said, "This successful transaction is a testament to the international investor community's vote of confidence in the country's strong macroeconomic fundamentals and sustained high growth prospects despite global financial headwinds."

Dominguez pointed out that following its successful float of bonds in China and Japan, the government has now issued global bonds in Europe as part of its efforts to diversify funding sources for its aggressive investments in infrastructure and human capital development.

Proceeds of the issuance will be used for the Republic's general government purposes, including budgetary support.

National Treasurer Rosalia de Leon commented, "The Republic garnered outstanding support from high quality accounts with a large orderbook allowing us to increase our base offering size from EUR500 million to EUR750 million. The successful transaction allowed us to diversify our funding program to support productive spending for infrastructure and social services."

Deutsche Bank and UBS acted as joint global coordinators, while BNP Paribas, Credit Suisse, and Standard Chartered Bank acted as joint bookrunners for the transaction.

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*1: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or
withdrawal at any time.
http://www.treasury.gov.ph/wp-content/uploads/2019/05/BTr_PR051019_EUR-Bonds_rev.pdf